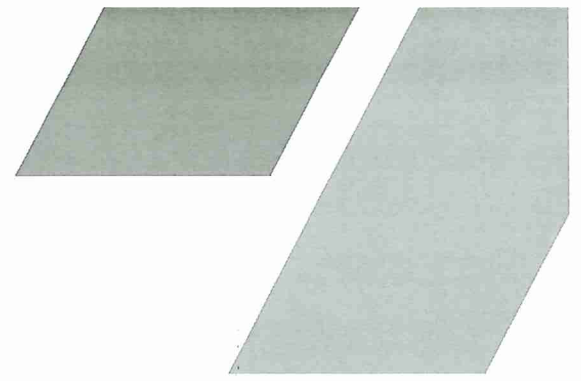


**TANO T'ENNEH GENERAL PARTNER CORPORATION**

**NON-CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**MARCH 31, 2024**



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Tano T'enneh General Partner Corporation

### *Opinion*

We have audited the non-consolidated financial statements of Tano T'enneh General Partner Corporation, which comprise the non-consolidated non-consolidated balance sheet as at March 31, 2024, and the non-consolidated statements of (loss) income and retained earnings and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the partnership as at March 31, 2024, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the partnership in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Basis of Accounting*

Without modifying our opinion, we draw attention to note 1 in the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Company to meet the requirements of its shareholders. As a result, the financial statements may not be suitable for another purpose.

See accompanying notes to these financial statements

*Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the partnership's financial reporting process.

*Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the partnership's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

See accompanying notes to these financial statements

- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the partnership to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMC Chartered Professional  
Accountants Inc.

Prince George, B.C.  
November 12, 2024

See accompanying notes to these financial statements

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**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NON-CONSOLIDATED STATEMENT OF (LOSS) INCOME AND RETAINED**  
**EARNINGS**  
**YEAR ENDED MARCH 31, 2024**

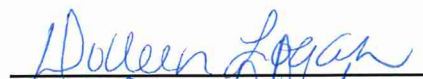

	2024	2023
<b>REVENUE</b>		
Tano Fuel Ltd. income (loss)	\$ (92,841)	\$ 116,474
Tano T'enneh Limited Partnership income (loss)	869	(119)
	<u>(91,972)</u>	<u>116,355</u>
<b>EXPENSES</b>		
Interest and bank charges	20	2,948
Professional fees	13,150	12,500
	<u>13,170</u>	<u>15,448</u>
<b>NET INCOME (LOSS)</b>	<b>(105,142)</b>	<b>100,907</b>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<b>598,338</b>	<b>497,431</b>
<b>RETAINED EARNINGS, END OF YEAR</b>	<b><u>\$ 493,196</u></b>	<b><u>\$ 598,338</u></b>

See accompanying notes to these financial statements

**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NON-CONSOLIDATED BALANCE SHEET**  
**MARCH 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSET</b>		
Cash	\$ 87	\$ 107
<b>INVESTMENTS (Note 2)</b>	<u>505,757</u>	<u>609,878</u>
	<u><u>\$ 505,844</u></u>	<u><u>\$ 609,985</u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITY</b>		
Accounts payable and accrued liabilities	\$ 10,501	\$ 9,500
<b>DUE TO SHAREHOLDER (Note 3)</b>	<u>2,127</u>	<u>2,127</u>
	<u>12,628</u>	<u>11,627</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL (Note 4)</b>	20	20
<b>RETAINED EARNINGS</b>	<u>493,196</u>	<u>598,338</u>
	<u>493,216</u>	<u>598,358</u>
	<u><u>\$ 505,844</u></u>	<u><u>\$ 609,985</u></u>

Approved on behalf of the board of directors

 Director  
 Director

**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NON-CONSOLIDATED STATEMENT OF CASH FLOW**  
**YEAR ENDED MARCH 31, 2024**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (105,142)	\$ 100,907
Adjustments for items which do not affect cash		
Equity loss (earnings) in Tano Fuel	92,841	(116,474)
Equity loss (earnings) in Tano T'enneh LP	(869)	119
	<u>(13,170)</u>	<u>(15,448)</u>
Change in non-cash working capital item		
Accounts payable and accrued liabilities	1,001	500
	<u>(12,169)</u>	<u>(14,948)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from (to) shareholder	-	14,928
Advances from (to) related parties	12,149	-
	<u>12,149</u>	<u>14,928</u>
<b>DECREASE IN CASH</b>	<b>(20)</b>	<b>(20)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>107</b>	<b>127</b>
<b>CASH, END OF YEAR</b>	<b>\$ 87</b>	<b>\$ 107</b>

See accompanying notes to these financial statements

**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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**DESCRIPTION OF OPERATIONS**

Tano T'enneh General Partner Corporation was incorporated under the Business Corporations Act of British Columbia on May 18, 2008. The Company's principal business activity is providing administrative services and management to Lheidli T'enneh Nation and its members.

**1. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the Canadian accounting standards for private enterprises set out in Part II of the CPA Canada Handbook. These financial statements are prepared to assist the Company to meet the requirement of the partners of the Company, and as such, the basis of accounting used differs from International Financial Reporting Standards set out in Part I of the CPA Canada Handbook, the financial reporting framework applicable to the general purpose financial statements of the Company.

**Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts payable and accrued liabilities.

**Financial instruments**

**(i) Measurement of financial instruments**

The Company initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Company subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

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**1. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

**Investments**

The equity method is used to account for the Company's investment in associated corporations, namely net assets. This method of accounting brings into consolidated earnings the Company's share in earnings of the associated corporation, which is also added to the carrying value of the investment. The excess of cost over the underlying share of equity in the investment since the date of acquisition is being amortized against the Company's share of earnings of the associated corporation.

**Revenue recognition**

Revenue from investments is recognized using the equity pickup method.

**Income taxes**

The Company has elected to account for income taxes using the taxes payable method. The taxes payable and provision for income taxes are based on the corporate income tax returns filed. There is no adjustment for income taxes related to temporary differences and no recognition of the benefit of income tax losses carried forward.

**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**2. INVESTMENTS**

	<u>2024</u>	<u>2023</u>
Investment in Tano Fuel Ltd. (100%)	\$ -	\$ -
Share of equity in retained earnings since date of acquisition	<u>532,006</u>	<u>624,847</u>
	<u>532,006</u>	<u>624,847</u>
Investment in Tano T'enneh LP	-	-
Share of equity in retained earnings since date of acquisition	<u>2,916</u>	<u>2,046</u>
Amounts due to Tano T'enneh LP	<u>(29,165)</u>	<u>(17,015)</u>
	<u>(26,249)</u>	<u>(14,969)</u>
	<u>\$ 505,757</u>	<u>\$ 609,878</u>

The amount due to Tano T'enneh LP is non-interest bearing and due on demand. Since Tano T'enneh LP has indicated that it is not their intention to request payment of this amount during the next fiscal year, this amount has been classified as a non-current liability in the accompanying financial statements.

**3. DUE TO SHAREHOLDER**

The amount due to the shareholders is non-interest bearing and due on demand. Since the shareholders have indicated that it is not their intention to request payment of this amount during the next fiscal year, this amount has been classified as a non-current liability in the accompanying financial statements.

	<u>2024</u>	<u>2023</u>
Due to Lheidli T'enneh First Nation	<u>\$ 2,127</u>	<u>\$ 2,127</u>

**TANO T'ENNEH GENERAL PARTNER CORPORATION**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**4. SHARE CAPITAL**

	<u>2024</u>	<u>2023</u>
<b>Issued and fully paid:</b>		
10 Class A Common shares with a par value of \$1.00 each	\$ 10	\$ 10
10 Class B Common shares with a par value of \$1.00 each	10	10
	<u>\$ 20</u>	<u>\$ 20</u>

**5. ECONOMIC DEPENDENCE**

Tano T'enneh General Partner Corporation generates the majority of its revenues through investment held in Tano Fuel Ltd. This trend is expected to continue in the future and is common in the industry, however should the relationship cease, the Partnerships operations would be significantly reduced.